STATE OF MICHIGAN

DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH

OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of Financial and Insurance Regulation

Office of Financial and Insurance Regulation,
     Petitioner

v

                                     Enforcement Case No. 09-7489

First Financial Network, Inc.,
     and
Eric Swider,
     Respondents

For the Petitioner:	For the Respondent:
Elizabeth Bolden	Steven L. Knox
Office of Financial and Insurance Regulation	Seyburn Knox Law Group
P.O. Box 30220	300 Park Street, Suite 385
Lansing, MI 48909-7720	Birmingham, MI 48009

Issued and entered
this 23rd day of November 2010
by Ken Ross
Commissioner

ORDER RESPECTING
MOTION TO SET ASIDE REVOCATION

I. Background

On April 9, 2010, the insurance producer license of Eric Swider and the insurance agency

license of First Financial Network, Inc. were revoked. The revocations were based on the failure

of Mr. Swider and First Financial Network (referred to as "Respondents" below) to reply to

inquiries from the Office of Financial and Insurance Regulation (OFIR). Licensees of OFIR are

required to provide written replies to such inquiries. See Michigan Insurance Code, section

249(a), MCL 500.249(a).

On September 13, 2010 attorney Steven Knox, representing Eric Swider, filed with the

Commissioner a motion to set aside the revocation of Mr. Swider's license. (The motion only

addressed the insurance producer license of Eric Swider. No request was made to relicense First Financial Network, Inc.)

On September 20, OFIR staff filed a response to the motion indicating that the staff did not object to setting aside the revocation order. The staff did, however, request that Mr. Swider be required to submit a new insurance producer application in order to ensure "that no license-disqualifying event has occurred since the license was revoked." The staff noted that Mr. Swider had resolved the matter of the unpaid commissions which were the subject of the original OFIR inquiry. (Documents demonstrating that resolution, a consent agreement with the complainant and proof of payment, were submitted to OFIR by Mr. Swider.)

II. Analysis

It was appropriate to revoke Mr. Swider's producer license in April 2010. He had failed on repeated occasions over several months to answer an official inquiry from this agency. When his conduct became the subject of an enforcement action, he failed to take advantage of the opportunity to informally resolve the matter with OFIR staff and later failed to appear for a formal administrative hearing. Now Mr. Swider would like to have his license returned. However, to simply reissue a license to Mr. Swider would create new problems. For example, the Commissioner has no way of knowing whether, during the months he was unlicensed, Mr. Swider engaged in any conduct that would disqualify him from holding a producer license. It is also not known whether Mr. Swider has any insurer willing to appoint him, a precondition for licensure.

In addition, it is necessary to determine what administrative sanction is appropriate for Mr. Swider's failure to respond to the original OFIR inquiries.

The Commissioner notes the staff's support of Mr. Swider's request to receive a license. However, it is not appropriate to issue an order setting aside the final decision of April 9, 2010. Mr. Swider has been unlicensed for approximately five months. Relicensing requirements vary depending upon the length of time an applicant has been unlicensed. Should Mr. Swider elect to reapply for a producer license, he must comply with the license application procedures (pre-licensing education, testing, insurer appointment, etc.) applicable to the length of time between the revocation date and the application date.

III. Order

It is therefore ordered that the motion to set aside the revocation order of April 9, 2010 is denied.

When Respondent Swider has completed the steps necessary for licensure, and a suitable sanction for the original compliance case has been negotiated with OFIR staff, the Commissioner will give consideration to the license application.

Ken Ross
Commissioner